

## Commodity Credit Corporation, USDA

## § 1464.2

income received from the sale of loan tobacco.

[45 FR 9253, Feb. 12, 1980, as amended at 47 FR 51555, Nov. 16, 1982; 48 FR 21110, May 11, 1983; 68 FR 65385, Nov. 20, 2003]

### § 1464.2 Availability of price support.

(a) *Kind of tobacco.* Price support will be available to eligible producers on the following kinds of eligible tobacco subject to conditions listed in §§ 1464.7 and 1464.8 respectively.

Flue-cured tobacco, types 11, 12, 13, and 14.  
Kentucky-Tennessee Fire-cured tobacco, types 22 and 23.  
Virginia Fire-cured tobacco, type 21.  
Virginia Sun-cured tobacco, type 37.  
Dark Air-Cured tobacco, types 35 and 36.  
Burley tobacco, type 31.  
Cigar filler and binder tobacco, types 42, 43, 44, 53, 54, and 55.

(b) *Method of providing price support—*

(1) *Through auction warehouses.* (i) Price support will be available for each lot of eligible tobacco offered for sale at auction warehouses which have contracted with an association, on a form of agreement approved by CCC, to make price support advances to producers on behalf of the association. Producers will deliver their tobacco to auction warehouses which will display the tobacco and offer it for sale at auction. Each contract between an association and an auction warehouse will require the auction warehouse to see that producers are informed that price support advances are available for each lot of eligible tobacco offered for sale at auction when the final bid is less than the price support rate available for the grade of eligible tobacco comprising such lot. For Flue-cured and Burley tobacco, the associations' contracts with auction warehouses will also require the auction warehouses to mark any tobacco sale bill "No Price Support" if the marketing of the pounds of tobacco covered by such bill will result in the producer marketing in excess of 103 percent of the producer's effective farm marketing quota. Producers will receive price support advances from the warehouse operator for any tobacco to be consigned by the warehouse operator to the association. Price support advances will be paid to the producer at the time the warehouse operator settles with the producer for the entire

quantity of the producer's tobacco that has been displayed for inspection and offered for sale on any one day's auction market. The warehouse operator will be reimbursed by the association with funds borrowed from CCC.

(ii) Price support will be available only at warehouses where tobacco inspection service is provided by the Agricultural Marketing Service, USDA. Inspection and price support services may be extended to new markets or to additional sales on established markets in accordance with this part and Subpart A of part 29 of this title which provides for formal public hearings prior to extending of additional services.

(iii) CCC reserves the right to direct the association to withhold a contract under the price support program from any auction warehouse for one or more years if, based on previous performance of similar contracts, or other evidence, there is substantial reason to believe that such warehouse will not fulfill its contract obligations.

(2) *Special requirements for flue-cured and burley tobacco.* Price support will be available only on flue-cured and burley tobacco that has been designated for sale at specific warehouses by the producer under the following conditions:

(i) *Definition.* *Producer* as used in this paragraph means the person who was issued the tobacco marketing card pursuant to part 723 of this title.

(ii) *Producer designation of warehouses.* Producers will be required, as a condition of price support, to designate the warehouses at which they will market their tobacco.

(A) For flue-cured tobacco such designations may be at any warehouse or warehouses in any market within a radius of 100 miles from the county seat of the county in which the farm is located, or if such farm is physically within two counties, then from the county seat of the county in which the county FSA office administering that farm is located. To the extent there are less than eight markets within such radius, any warehouse or warehouses in any of the eight markets nearest to the county seat may be designated. A producer may obtain price support only in a warehouse which the producer has designated, and at each such warehouse

only with respect to the quantity of tobacco designated for sale at such warehouse.

(B) For burley tobacco such designations may be at any warehouse or warehouses in any burley market.

(iii) *When producer designations shall be made.* Producers must designate the warehouse(s) at which they will market their tobacco during a period that shall be announced beforehand by the local FSA county office. Unless extended by the Deputy Administrator, the period for making designations shall be before May 31 each year for flue-cured tobacco and August 31 each year for burley tobacco. Producers who lease quota or whose farm is reconstituted (the combining or dividing of a farm due to a change in operation) after such period may designate the warehouse(s) at which their tobacco will be marketed according to procedures to be established by the Deputy Administrator, Farm Programs, FSA. Producers who have designated warehouses that cease to operate or cease to have tobacco inspection or price support available may change their designations at any time after such occurrences. Producers who have designated warehouses whose inspection services have been temporarily suspended for any reason for the equivalent of at least one sales day may change their designation at any time after such occurrences. Redesignation (changes in warehouse(s) designated or in pounds designated to a warehouse) or designations for farms that have not previously designated tobacco may be made by producers during the five business days ending on the first Friday of each month during the flue-cured or burley, as applicable, tobacco marketing season. Such redesignation or initial designation shall be made on any one day of each redesignation period. Such redesignation or initial designation shall be effective on the second Monday following the Friday on which the redesignation period ends.

(iv) *Form and content of designations.* For flue-cured tobacco a designation shall be made for each warehouse at which a producer desires to market tobacco by executing a form provided by the FSA county office. The producer will be required to indicate on such

form the name of the warehouse or warehouses designated by the producer and the pounds of flue-cured tobacco the producer desires to sell at such warehouse as well as any other information required to be stated on such form. For burley tobacco a designation shall be made for each warehouse, receiving station or dealer at which a producer desires to market tobacco by executing a form provided by the FSA county office. The producer will be required to indicate on such form the name of the warehouse(s), receiving station(s) or dealer(s) designated by the producer and the pounds of burley tobacco the producer desires to sell at such warehouse, receiving station or dealer as well as any other information required to be stated on such form.

(v) *Entering designation information.* For flue-cured tobacco, the warehouse code number of the warehouse the producer has designated will be indicated on the farm marketing card. For burley tobacco, the warehouse, receiving station, or dealer code number of the warehouse, receiving station or dealer the producer has designated will be indicated on the farm marketing card. If an effective date is determined in accordance with paragraph (b)(2)(iii) of this section, such effective date will be shown on the farm marketing card. For flue-cured tobacco, if the producer has not designated a warehouse, a warehouse code will not be shown on the marketing card. Changes in designation by the producer shall be accomplished by the producer returning the marketing card to the FSA county office and requesting the transfer of any unmarketed pounds of flue-cured or burley tobacco shown on any marketing card to another eligible warehouse, receiving station or dealer, if applicable.

(vi) *Use of warehouse designation information.* (A) A separate sale bill marked "no price support" shall be prepared for that quantity of tobacco weighted in that is in excess of the balance of the pounds designated as shown on the marketing card:

(B) The warehouse shall mark "no price support" on a sale bill for any tobacco which is presented for sale and which is accompanied by a marketing card which does not show a warehouse

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code, which shows a code of another warehouse, or which shows an effective date which is later than the date on which the tobacco is presented for sale.

(vii) *Availability of designation information.* Each FSA county office shall send designations received to the Flue-Cured Tobacco Cooperative Stabilization Corporation, Raleigh, North Carolina for flue-cured tobacco, Burley Tobacco Growers Cooperative Association, Lexington, Kentucky and Burley Stabilization Corporation, Knoxville, Tennessee for burley tobacco, following each designation period and each period for changing designations. That association(s) shall inform the Flue-Cured Tobacco Advisory Committee or the Burley Tobacco Advisory Committee, as applicable, of the pounds designated to each warehouse and the pounds of any undesignated or non-auction tobacco that, for the purpose of recommending opening dates and selling schedules in accordance with part 29 of this title, is available for apportioning for sale at each warehouse. That association also shall furnish each warehouse the name and address of the producers who designated the warehouse, the pounds each designated and the pounds that represent 103 percent of the marketing quota of each such producer. The Director, Tobacco and Peanuts Division, shall furnish each receiving station the name and address of the producers who designated the receiving station, the pounds each designated and the pounds that represent 103 percent of the marketing quota of each such producer.

(viii) *Failure to comply with opening date and selling schedule by warehouses.* Warehousemen shall comply with opening date and selling schedule requirements as provided in 7 CFR 29.9406.

(3) *Upon direct delivery to the Association.* Eligible producers in nonauction market areas may deliver eligible tobacco to central receiving points designated by the appropriate association.

(4) *Period of price support.* Price support will be available to eligible producers on eligible tobacco only during each year's normal marketing season for each kind of tobacco for which support is provided.

(5) Beginning with the 1981 crop, eligible producers may obtain price sup-

port on untied burley tobacco packed in bales subject to the following conditions:

(i) The quality and condition of the tobacco contained in each bale delivered for price support as a single lot will be representative of the quality and condition of the tobacco contained in all other such bales of the same lot.

(ii) The tobacco in each bale will be stalk-cured.

(iii) The bales will not contain foreign matter or conceal inferior tobacco.

(iv) Specification of bales:

(A) Bales must be approximately 1×2×3 feet in size.

(B) The leaves in bales must be untied and oriented.

(C) The basket ticket shall show the number of bales in the lot. Each bale in the lot shall be identified by a uniform identification tag 1½ inches wide by 3¼ inches long which shall be attached securely to the bale and shall show at least the following information: (1) Warehouse registration number, (2) basket ticket identification number, and (3) bale number.

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### § 1464.3 Level of price support.

(a) The level of price support for eligible tobacco shall be determined in accordance with section 106 of the Agricultural Act of 1949, as amended.

(b) Flue-Cured tobacco of varieties Coker 139, Coker 140, Coker 316, Reams 64, Reams 266, and Dixie Bright 244, or a mixture or strain of such seed varieties or any breeding line of Flue-Cured tobacco seed varieties, including, but not limited to, 187 Golden Wilt (also designated by such names as No-Name, XYZ), having the quality and chemical characteristics of the seed varieties designated as Coker 139, Coker 140, Coker 316, Reams 64, Reams 266, or Dixie Bright 244 will be supported at one-half the support rate, plus 50 cents per hundred pounds, for comparable grades of acceptable varieties.

[51 FR 32426, Sept. 12, 1986]